

FEES

COST PLUS A FIXED FEE

1. **COST PLUS A FIXED FEE:** For all services and materials pertinent hereto and/or specifically described herein, except as otherwise explicitly cited, the DEPARTMENT agrees to pay the CONSULTANT for the actual allowable cost plus a fixed fee. Overhead rates have been reviewed, approved, and are limited to the costs which are allowable under Federal Acquisition Regulations, contained in Title 48 CFR, Part 31.

The actual contract cost includes direct labor expense, payroll additives; indirect costs and other direct non-salary costs as outlined below.

Guest meals (meals paid by a consultant or a consultant's employee for someone other than his/her self) shall not be eligible for reimbursement unless previously approved in writing by the DEPARTMENT Project Manager.

- (a) The direct labor expense is the actual salary expense plus payroll additives for professional and technical personnel and principals for the time they are productively engaged in work necessary to fulfill the terms of this contract. The provisional payroll additives were determined based on an Analysis of an Overhead Rate as [Percentage](#) of the direct salary expense and is subject to a final audit review.
- (b) The provisional indirect costs have been determined based on the Analysis of an Overhead Rate and agreed upon as [Percentage](#) of the direct labor expense. Actual salary expense, including payroll additives is subject to a final audit review.
- (c) If necessary and DEPARTMENT approved, any additional direct expenses incurred in fulfilling the terms of this contract, including but not limited to travel and lodging, reproduction, telephone, equipment, supplies and fees of outside CONSULTANTS or sub-consultants will be reimbursed at actual costs.

If the CONSULTANT'S normal accounting practice is to include some of these costs as indirect expenses, then this contract will be consistent with that practice. These types of costs must be disclosed as part of your accounting practices and in conformance to Federal Cost Principles.

- (d) The fixed fee has been determined and agreed upon as [Fixed Fee Percentage](#) of the combined direct labor and the Overhead amount, which represents the CONSULTANT'S profit of [Fixed Fee Amount](#). The fixed fee percentage is not a floating percent.

The fixed fee payment will be prorated and paid regularly in proportion to the work performed as reflected by the periodic invoices; that is, on the same ratio as the invoice cost bears to the originally estimated total for CONSULTANT'S actual cost which is the maximum amount payable minus the fixed fee. Any portion of the fixed fee payment not previously paid in the periodic payment will be covered in the final payment.

Overruns in the costs of the work do not warrant an increase in the fixed fee, but significant changes to the Scope of Work may require adjustment of the fixed fee in the contract as evidenced by a contract modification.

2. **MODIFICATIONS:** In the event the DEPARTMENT requires changes of services which materially affect the scope or work plan, with a resulting material increase in cost to the CONSULTANT, a contract modification for additional compensation and time for completion shall be entered into by the parties hereto prior to making such change. Any such work done without prior DEPARTMENT agreement shall be deemed ineligible for reimbursement by the DEPARTMENT.
3. **PROGRESS PAYMENTS:** Progress payments are based upon the approved percentage of work completed and are made pursuant to certified invoices received. Five percent (5%) of the amount invoiced shall be retained in a DEPARTMENT approved escrow account until such time as all of the services are completed, approved, properly invoiced, and full agreement has been reached by both parties on the termination of the contract.

4. **INVOICES:** Invoices are to reflect charges as they apply to the appropriate contract, project, and account number, and must be certified and executed by an official legally authorized to bind the firm. The invoice must be substantiated with supporting documentation that is reviewed and approved by the DEPARTMENT'S Project Manager and subject to final approval by the DEPARTMENT'S Comptroller's Office.
5. **FINAL PAYMENT:** Retention will be released only after all materials and services associated with this contract have been reviewed and approved by the DEPARTMENT'S Project Manager and finalized by the DEPARTMENT'S Comptroller's Office. The retention fee will not be released until a project evaluation form has been completed by the DEPARTMENT'S Project Manager and submitted to Consultant Services and the Comptroller's Office.

The DEPARTMENT'S Project Managers and the Comptroller's Office have the right to hold the final payment on certain projects when design and construction are performed by two separate Consultants or if there is a potential possibility of a design or construction error.

6. **FINANCIAL SUMMARY:** The total maximum amount of disbursement pertinent to this contract shall not exceed **Contract Amount**. Contract overruns will not be paid.
7. **COST PROPOSAL:** The overhead and hourly rates shown in the CONSULTANT'S and/or sub-consultant's cost proposal have been determined and agreed upon by the parties and are included in this contract. The CONSULTANT will invoice the DEPARTMENT using the approved and agreed upon Wage Rates, Overhead, prorated Fixed Fee, and any additional Direct Costs.

Invoices submitted to the DEPARTMENT must reflect the staffing plan and associated hourly wage rates, labor hours used, and other costs submitted in the CONSULTANT cost proposal.

The Cost Proposal for the CONSULTANT and/or sub-consultant, if applicable, may be found in Attachment D, pages through .